HONOURABLE SHRI G.S.SINGHVI, THE CHIEF JUSTICE

AND

HONOURABLE SHRI JUSTICE G.BHAVANI PRASAD

W.P.NO.1564 OF 2006

BETWEEN

The Union of India rep by Postmaster General

Hyderabad Region, Hyderabad and 2 others.

….. **Petitioners**

And

P.Sugunamma and 2 others. **…. Respondents**

:: JUDGMENT::

Counsel for the Petitioners : M/s.Vasireddy Vinod Kumar

Counsel for the Respondents : NA

Dated 28.1.2006

Per G.S.Singhvi,CJ

This petition by the Union of India and two others is directed against order dated 4-1-2006 passed by the A.P. State Consumer Disputes Redressal Commission, Hyderabad (for short 'the State Commission') whereby it stayed order dated 26-10-2005 passed by District Consumer Forum, Mahabubnagar (hereinafter described as 'the District Forum') in C.D. No. 94 of 2005 on the condition of deposit of a further sum of Rs.50,000/- by the petitioners with liberty to the respondent to withdraw the same without furnishing security.

The facts enumerated in the writ petition show that the complaint filed by respondent No.1 under Section 12 of the Consumer Protection Act, 1986 claiming an amount of Rs.1,00,000/- with interest at the rate of 24% P.A. under RPLI policy was disposed of by the District Forum on 26.10.2005 by directing the petitioners to pay a sum of Rs.99,510/- with interest at the rate of 9% per annum with effect from 6.6.2004 and costs of Rs.500/-.

The petitioners challenged the order of the District Forum by filing an appeal under Section 15 of the Act. They also applied for stay of the order passed by the District Forum. After considering the averments contained in the memo of appeal, the State Commission granted conditional stay to which reference has been made hereinabove.

Learned counsel submitted that even though the appellants do not have any serious objection to the deposit of Rs.50,000/-, the liberty given by the State Commission to the complainant to withdraw the amount without any security is illegal, unsustainable and is liable to be set aside. He relied on second proviso to Section 15 of the Act and argued that in the absence of statutory empowerment, the State Commission could not have directed the appellants to deposit any amount over and above 50% of the award made by the District Forum or a sum of Rs.25,000/-, whichever is less.

In our opinion, the submission of the learned counsel is totally devoid of merit. The condition enumerated in second proviso to Section 15 of the Act is a condition precedent for entertaining an appeal against an award made by the District Forum

but there is nothing in the scheme of the Act, which prevents the State Commission from passing conditional stay. Section 13(3-B) of the Act empowers the District Forum to pass appropriate interim order. The proceedings of an appeal filed under Section 15 are continuation of the original proceedings. Therefore, the State Commission will be deemed to be possessed with the power to pass appropriate interim order to sub-serve the ends of justice.

In our view, the conditional stay passed by the State Commission entitling respondent No.1 to withdraw Rs.50,000/- without furnishing any security does not suffer from any jurisdictional infirmity or error of law which may justify interference under Article 226 of the Constitution of India.

Hence the writ petition is dismissed.

G.S.SINGHVI, CJ

Dt.28.1.2006

G.BHAVANI PRASAD,J

-

Msv/svs